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**UNITED STATES BANKRUPTCY COURT  
SOUTHERN DISTRICT OF NEW YORK**

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SECURITIES INVESTOR PROTECTION		)	SIPA LIQUIDATION
CORPORATION,		)	
		)	Case No. 08-01789 (BRL)
	Plaintiff	)	
		)	(Substantively Consolidated)
	v.	)	
		)	
BERNARD L. MADOFF INVESTMENT		)	
SECURITIES, LLC		)	
		)	
	Defendant	)	
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**COUNTERSTATEMENT OF THE ISSUE OF APPELLEE  
THE SECURITIES INVESTOR PROTECTION CORPORATION**

Pursuant to Rule 8006 of the Federal Rules of Bankruptcy Procedure, Appellee, the Securities Investor Protection Corporation (“SIPC”), hereby states that it designates no additional items for inclusion in the record on appeal of the Memorandum Decision and Order Granting Trustee’s Motion to Affirm Trustee’s Determinations Denying Claims of Claimants Without BLMIS Accounts in Their Names, Namely, Investors in Feeder Funds, entered in this action on June 28, 2011 (Dkt. No. 4193). SIPC counter-states the issue presented on appeal as follows:

Whether the Bankruptcy Court correctly determined that the Appellants are not “customers” of Bernard L. Madoff Investment Securities, LLC (“BLMIS”) within the meaning of the Securities Investor Protection Act, 15 U.S.C. §§ 78aaa *et seq.*, where the Appellants did not have accounts at BLMIS, were not known to BLMIS, entrusted no cash or securities to BLMIS, and received no account statements or similar communications from BLMIS, and where the Appellants assert entitlement to “customer” status solely on the basis of their investments in hedge funds, which invested fund-owned assets at BLMIS through the funds’ own accounts (from which the Appellants neither made withdrawals nor had the authority to do so), and which had no obligation to, and did not, consult with the Appellants in disposing of fund assets.

DATED: August 5, 2011

Respectfully submitted,

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